

State of California
BOARD OF EQUALIZATION

TRANSACTIONS (SALES) AND USE TAX REGULATIONS

Regulation 1822. PLACE OF SALE FOR PURPOSES OF TRANSACTIONS (SALES) AND USE TAXES.

Reference: Sections 6012.6, 6015, 6359, 6359.45 and 7263, Revenue and Taxation Code.
Auctioneers, see Regulation 1565.
Vending Machine Operators, see Regulation 1574.

(a) IN GENERAL.

(1) **RETAILERS HAVING ONE PLACE OF BUSINESS.** For the purposes of the Transactions (Sales) and Use Tax Law, if a retailer has only one place of business in this state, all California retail sales of that retailer occur at that place of business unless the tangible personal property sold is delivered by the retailer or his or her agent to an out-of-state destination, or to a common carrier for delivery to an out-of-state destination.

(2) **RETAILERS HAVING MORE THAN ONE PLACE OF BUSINESS.** If a retailer has more than one place of business in this state which participate in the sale, the sale occurs at the place of business where the principal negotiations are carried on. If this place is the place where the order is taken, it is immaterial that the order must be forwarded elsewhere for acceptance, approval of credit, shipment, or billing. For the purposes of this regulation, an employee's activities will be attributed to the place of business out of which he or she works.

(3) **PLACE OF PASSAGE OF TITLE IMMATERIAL.** If title to the tangible personal property sold passes to the purchaser in California, it is immaterial that title passes to the purchaser outside the taxing jurisdiction in which the retailer's place of business is located.

(b) PLACE OF SALE IN SPECIFIC INSTANCES.

(1) **VENDING MACHINE OPERATORS.** The place of sale is the place at which the vending machine is located. If an operator purchases property under a resale certificate or from an out-of-district seller without payment of tax and the operator is the consumer of the property, for purposes of the use tax, the use occurs at the place where the vending machine is located.

(2) **ITINERANT MERCHANTS.** The place of sale with respect to sales made by sellers who have no permanent place of business and who sell from door to door for their own account shall be deemed to be at the location of the seller's permanent address as shown on the seller's permit issued to him or her. If this address is in a district imposing transactions (sales) and use taxes, the district transactions (sales) tax applies with respect to all sales unless otherwise exempt (i.e., when the property sold is shipped or delivered to a purchaser outside the district for use outside the district). If the address is outside such a district but the merchant solicits orders in a district imposing transactions (sales) and use taxes, he or she must collect the district use tax with respect to property sold and delivered or shipped to customers in the district.

(3) **RETAILERS UNDER SECTION 6015.** Persons regarded as retailers under Section 6015(b) are regarded as selling tangible personal property through salespersons, representatives, peddlers, canvassers, or agents who operate under or obtain the property from them. The place of sale is the place from which the salesperson, representative, peddler, canvasser, or agent who makes the sale operates. If this place is in a district imposing transactions (sales) and use taxes, the district transactions (sales) tax applies to all retail sales unless otherwise exempt (i.e., when property is shipped or delivered to a purchaser outside the district for use outside the district). If this place of business is outside such a district, but if any salesperson or representative solicits orders in a district imposing transactions (sales) and use taxes, the district use tax applies and must be collected with respect to property sold and delivered or shipped to customers in the district.

(4) **AUCTIONEERS.** The place of sale by an auctioneer is the place at which the auction is held.

Regulation 1822. *(Continued)*

(5) OUT-OF-STATE RETAILERS WHO MAINTAIN A STOCK OF TANGIBLE PERSONAL PROPERTY IN CALIFORNIA. If an out-of-state retailer does not have a place of business in this state other than a stock of tangible personal property, the place of sale is the location of the stock of property from which delivery or shipment is made.

(6) FACTORY-BUILT SCHOOL BUILDINGS. The place of sale or purchase of a factory-built school building (relocatable classroom) as defined in paragraph (c) (4) (B) of Regulation 1521 (18 CCR 1521), "Construction Contractors", is the place of business of the retailer of the factory-built school building regardless of whether sale of the building includes installation or whether the building is placed upon a permanent foundation.

History: Adopted January 6, 1970, effective February 25, 1970.

Amended May 9, 1984, effective September 12, 1984. Subdivision (b) (1) completely revised.

Amendments adopted June 5, 1991, effective August 18, 1991. Amended to reference Regulation 1521 (c) (4) (B) and to explain place of sale.

Amended February 19, 1992, effective July 1, 1992. Amended subdivision (b) (3) to delete reference to last paragraph of Section 6015, Revenue and Taxation Code; Amended (a) (1) to clarify that paragraph applies only to the California retail sales of a retailer who has only one place of business in the state.

Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.